

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW  
21 CUSTOM HOUSE STREET  
BOSTON, MASSACHUSETTS 02110-3525  
  
(617) 951-1400

TELECOPIERS:  
(617) 951-1354  
(617) 951-0586

October 29, 2001

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: D.T.E. 99-19 – Service Quality Performance Results for NSTAR

Dear Secretary Cottrell:

In accordance with the directives of the Department of Telecommunications and Energy (the “Department”), and in compliance with a letter dated August 22, 2001 from Paul G. Afonso, General Counsel of the Department, Boston Edison Company (“Boston Edison”), Cambridge Electric Light Company (“Cambridge”), Commonwealth Electric Company (“Commonwealth”) and NSTAR Gas Company (“NSTAR Gas”) (collectively, “NSTAR” or the “Company”) hereby file the enclosed performance results for the two reporting periods of September 1, 1999 through August 31, 2000, and September 1, 2000 through August 31, 2001.

• **Background**

As part of a rate plan proposed by NSTAR in conjunction with the merger of BEC Energy and Commonwealth Energy System, NSTAR submitted a service quality plan, which included benchmarks based on historical performance. Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, Commonwealth Gas Company, D.T.E. 99-19, at 94-96 (1999). It was intended that the service quality plan would “allow the Department to determine whether there has been a degradation in the companies’ service quality as a result of the merger.” Id. at 98 (citation omitted). In approving a service quality plan for NSTAR, the Department made a number of changes to the design of the Company’s service quality proposal and noted that it intended to open a proceeding (D.T.E. 99-84) to consider, on a generic basis, issues relating to service quality plans associated with the Department’s authority under G.L. c. 164, § 1E. Id. at 101-102.

In adopting generic guidelines in D.T.E. 99-84, “the Department recognize[d] that many gas and electric distribution companies presently have [service quality] plans that are independent of PBR [performance-based regulation] mechanisms and that vary from the guidelines established in this proceeding.” D.T.E. 99-84, at 41 (2001). The Department, citing the NSTAR rate plan, among others, directed companies to comply

with the guidelines henceforth (or justify a departure from the Department's guidelines). Id. at 41-42. On this date, under separate cover, NSTAR is proposing modifications to its merger-related service-quality plan whereby NSTAR will report data on the performance measures set forth in the guidelines and establish applicable benchmarks in accordance with the guidelines. NSTAR will measure its performance in performance years 2002, 2003 and 2004 and compare these performance results to the benchmarks being established under the revised plan.

The current service quality plan as approved by the Department in D.T.E. 99-19 differs significantly in a number of important respects from the service quality guidelines established in D.T.E. 99-84. These differences relate to both the measures being monitored as well as the data used to establish the benchmarks. In addition, the Department in D.T.E. 99-19 directed NSTAR to meet with the Department's General Counsel and the Consumer Division to adapt Consumer Division data for use in the service quality plan. The Department also directed NSTAR to file a proposal for a penalty mechanism irrespective of NSTAR's position that the Department lacked the legal and statutory authority to impose a service quality penalty mechanism under the circumstances of the merger. BECo-ComElec Acquisition, D.T.E. 99-19, at 101, 107 (1999);<sup>1</sup> see Joint Petitioners Reply Brief [D.T.E. 99-19], at 23-26.

On April 11, 2001, NSTAR filed the first annual service quality report under the merger plan, which covered the year 2000, the first full calendar year of operations for NSTAR following completion of the merger. On August 22, 2001, the Department directed the NSTAR Companies to amend the annual report to cover the twelve-month period commencing September 1, 1999. In addition, the Department called for a report covering a second twelve-month period commencing on September 1, 2000 and directed that the reports for both periods be filed by October 29, 2001. Finally, the Department stated that "both reports must contain the penalty calculations, as applicable, to comply with the directives set forth in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001)."

NSTAR has reviewed the measures and benchmarks established in D.T.E. 99-19 in relation to the penalty system established in D.T.E. 99-84. In developing a number of

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<sup>1</sup> Both of these directives were to be addressed within six months of the consummation of the merger, the effective date of which was August 23, 1999. In compliance with these directives, NSTAR wrote to the Department on February 23, 2000 concerning efforts to address these issues with Department Staff and, citing the pending generic investigation in D.T.E. 99-84, requested that any further proposal concerning these issues be deferred pending completion of that generic proceeding or the receipt of further guidance from the Department. The Company received no further guidance or directive on these issues until the Department's Order in D.T.E. 99-84, which directed the filing of a revised service quality plan by October 29, 2001, and the Department's letter of August 22, 2001 concerning the revised filing of a report on service quality performance pursuant to D.T.E. 99-19.

these benchmarks, the Department excluded specific years of historical performance data and in a number of instances set the benchmark on the basis of performance data from a single year. In those instances, no penalty calculation is possible under the D.T.E. 99-84 penalty structure because it is not possible to perform the required standard deviation calculation on the basis of only a single observation. Accordingly, NSTAR has attempted to apply all aspects of the D.T.E. 99-84 guidelines to the period following completion of the merger on September 1, 1999. In so doing, NSTAR has performed all calculations based on the assumption that the Department's guidelines were in full effect on September 1, 1999 and all benchmarks for the periods under review are calculated using the most recent data available before the commencement date of the merger-related service quality plan.

Therefore, for the purpose of this filing, NSTAR has applied available historical performance data to the measures adopted in D.T.E. 99-84 and calculated benchmarks using applicable historical performance data available as of September 1, 1999 in accordance with the guidelines for the two reporting periods described above. The benchmarks established for each of these periods were then compared to NSTAR's performance during each of the reporting periods. The Companies then applied the penalty formula to the results of the comparison to determine what, if any, penalty would have resulted if the penalty mechanism established in D.T.E. 99-84 were applicable to the reporting periods being reviewed.<sup>2</sup>

- **Performance Results**

In accordance with the Department's directives, NSTAR submits the following performance results for the two time periods under review: (1) September 1, 1999

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<sup>2</sup> Although the Companies have performed the requested penalty calculations, NSTAR has consistently taken the position that the Department's authority to impose penalties must be expressly delegated to it by the Legislature. Alexander J. Cella, Administrative Law and Practice, 38 M.P.S. § 91, at 211 (1986); Commissioner of Revenue v. Marr Scaffolding Co., 414 Mass. 489, 493 (1993); Commonwealth v. Diaz, 326 Mass. 525, 527, 98 N.E. 2d 666 (1950); Commonwealth v. Racine, 372 Mass. 631, 635-636, 363 N.E. 2d 500 (1977); City of Newton v. Department of Public Utilities, 367 Mass. 667, 678-81 (1975) (the Supreme Judicial Court held that the statutory grant of authority to the Department to regulate and supervise the activities of a company subject to the Department's jurisdiction does not imply the power to impose a broad system of rate rebates for inadequate service); see also Pender Peanut Corporation v. the United States, 20 Cl. Ct. 447, 453 (1990). The delegation set forth in G.L. c. 164, § 1E, relates only to performance-based rate ("PBR") plans, and the Department has ruled that merger-related rate freezes are not PBR plans. Eastern-Essex Acquisition, D.T.E. 98-27, at 16 (1998). Therefore, NSTAR believes that the Department lacks statutory authority to impose penalties retroactively on NSTAR in this context. Nonetheless, NSTAR shares the Department's objective to ensure high-quality service to customers and recognizes that the Department's guidelines have sought to create a service-quality structure intended to further that objective. Accordingly, without waiving any legal arguments or rights, NSTAR hereby agrees, as described below, to provide payments to customers in the amount calculated herein.

through August 31, 2000; and (2) September 1, 2000 through August 31, 2001. As previously described, the reports measure and compute benchmarks consistent with the Department's guidelines issued in D.T.E. 99-84.

A summary of the results of the reports is as follows:

## **CUSTOMER SERVICE AND BILLING PERFORMANCE MEASURES**

### **➤ Telephone Service Factor**

The Telephone Service Factor requires companies to gather data and report statistics on the percentage of telephone calls from consumers that are handled within a time interval consistent with each company's historical response-time measuring system. Boston Edison began collecting this data in 1995, based on the percentage of calls answered within 20 seconds. In 1996, Boston Edison began collecting data on a 30-second basis as well. Therefore, in accordance with the guidelines, for the first reporting period, the benchmark and the standard deviation calculations are computed based on four years of data, and, for the second reporting period, the benchmarks and standard deviations are computed based on five years of data. Cambridge, Commonwealth and NSTAR Gas have data beginning in 1997, based on calls answered within 30 seconds. Therefore, no benchmarks or penalty calculations were computed for the first reporting period where there was only two years of performance data available. For the second reporting period, benchmarks and standard deviations are computed based on three years of data.

### **➤ Service Appointments Met as Scheduled**

NSTAR has not historically gathered data on the number or percentage of service appointments met by Company personnel as scheduled. Future annual reports will include these data as they are compiled and, in accordance with the Department's guidelines, benchmarks will be established after three years of data are available. In accordance with the Department's guidelines, no benchmarks, standard deviations or penalty/credit calculations have been computed for the two reporting periods under review in this filing.

### **➤ On-Cycle Meter Readings**

The guidelines require the reporting of data on the percentage of meters that are

actually read by the Company as schedule according to the normal reading cycle.<sup>3</sup> Boston Edison began to collect data on this measurement in 1996. Therefore, in accordance with the guidelines, for the first reporting period, the benchmark and the standard deviation are computed based on three years of data, and, for the second reporting period, the benchmark and standard deviation are computed based on four years of data. Cambridge, Commonwealth and NSTAR Gas began compiling similar data on meter reading performance in 1997. Since there was data for only two years prior to the first reporting period, no penalty calculation is performed. For the second reporting period, meter reading benchmarks for Cambridge, Commonwealth and NSTAR Gas as well as standard deviation calculations are computed based on three years of data.

### **CUSTOMER SATISFACTION PERFORMANCE MEASURES**

#### **➤ Consumer Division Cases**

Under the guidelines, the performance measure relating to customer complaints filed with the Department's Consumer Division is based on data compiled and reported by the Department.

#### **➤ Billing Adjustments**

Under the guidelines, the performance measure relating to billing revenue adjustments resulting from Departmental intervention in a billing dispute with a residential customer is based on data compiled and reported by the Department.

### **SAFETY AND RELIABILITY PERFORMANCE MEASURES**

#### **➤ SAIDI and SAIFI for Electric Companies**

The Department's guidelines require that electric companies report data on their System Average Interruption Duration Index ("SAIDI") and System Average Interruption Frequency Index ("SAIFI"). Boston Edison, Cambridge and Commonwealth have collected and maintained data for both SAIDI and SAIFI for a period in excess of five years. Consistent with the guidelines, NSTAR calculated benchmarks and standard deviations for SAIDI and SAIFI based on data from the most recent five-years available (1994-1998) as of the date when the term of the merger-related service quality plan commenced, September 1, 1999. Performance data for both the first and second

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<sup>3</sup> Although the guidelines indicate that the meter cycle is monthly, the Department's regulations do not require monthly readings (220 C.M.R. 25.02(2)), and some NSTAR customers were on a bi-monthly schedule in the past. Starting in June 2001, all NSTAR customers are on monthly reading cycles. Data on compliance with this measurement is based on the normal reading cycle for the customer, not necessarily a monthly cycle.

reporting periods were compared to these benchmarks for purposes of making the penalty calculation requested by the Department.<sup>4</sup>

➤ **Lost Work Time Accident Rate**

In compliance with the requirements of the Department's guidelines, NSTAR has provided data on the Incidence Rate of Lost Work Time Injuries and Illness per 200,000 Employee Hours, as defined by the U.S. Department of Labor Bureau of Labor Statistics. This data have been compiled and maintained by NSTAR since 1991. Therefore, in accordance with the guidelines, for the first reporting period, the benchmarks and the standard deviations are computed based on eight years of data, and, for the second reporting period, the benchmarks and standard deviations are computed based on nine years of data.

➤ **Response to Odor Calls**

The Department's guidelines require gas companies to submit data on the percentage of Class I and Class II odor calls that are responded to within one hour. The benchmark is fixed at a 95 percent response rate and performance by NSTAR Gas is reported for both years.

• **Penalties**

As requested in the August 22, 2001 letter from General Counsel Afonso, the enclosed report includes the calculation of credits and penalties for the two reporting periods since September 1, 1999, in accordance with the methodology contained in the Department's guidelines issued in D.T.E. 99-84. For the first reporting period (September 1, 1999 through August 31, 2000), the results show that, for each applicable benchmark,<sup>5</sup> NSTAR's performance was either in the penalty dead band or resulted in a credit for superior performance. The second period (September 1, 2000 through August 31, 2001) results in the calculation of a net penalty. A summary of the calculations is as follows:

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<sup>4</sup> NSTAR understands that, in its final order in D.T.E. 99-84, the Department adopted a benchmark "based on a fixed five-year period using years 1996-2000." D.T.E. 99-84, at 13 (2001). Because the two periods included in the enclosed reports overlap with this five-year period, the benchmarks are based on the five-year period immediately preceding the start of the D.T.E. 99-19 service quality plan.

<sup>5</sup> As described above, sufficient data was not available to establish benchmarks for certain measures, so no penalties or credits could be computed. These measures are designated as "NA" in the Penalty Summary page of the accompanying report.

	Sept. 1999 – Aug. 2000	Sept. 2000 – Aug. 2001 <sup>6</sup>
<b>Boston Edison</b>	(\$2,119,290) <sup>7</sup>	\$3,946,574
<b>Cambridge Electric</b>	(\$81,464)	(\$123,425)
<b>Commonwealth Electric</b>	(\$162,959)	(\$126,203)
<b>NSTAR Gas</b>	<u>(\$1,427,842)</u>	<u>(\$2,214,507)</u>
<b>TOTAL</b>	(\$3,791,555)	\$1,482,439 <sup>8</sup>

In reviewing these results, it is apparent that the primary source of the calculated penalties is the significantly elevated level of customer outages in the Boston Edison service territory this past summer. Although a principle cause of these outages was severe weather and abnormal load conditions, NSTAR is dissatisfied with the level of service quality it provided to customers during this period. NSTAR has, today, submitted in the Department's reliability investigation, D.T.E. 01-65, a full report and analysis of the circumstances surrounding these outages and included an action plan designed to address and remedy service deficiencies.

NSTAR recognizes that the level of service interruptions experienced by customers during this reporting period resulted in significant customer inconvenience. Accordingly, NSTAR has voluntarily initiated a claims program pursuant to which customers who demonstrate that they have a supportable claim in relation to these outages are receiving a reimbursement payment. To date, this program has resulted in direct payments of over \$1 million to customers of Boston Edison. NSTAR believes that this approach to directing payments to specifically affected customers is the fairest and most appropriate way to disburse penalty payments associated with deficient service quality. If the penalty provisions of the Department's recently adopted service quality guidelines were applicable to NSTAR's performance during the 1999-2001 reporting periods, an additional payment to Boston Edison customers of approximately \$3,000,000 would be required. Despite the inapplicability of these penalty provisions to the reporting

<sup>6</sup> In support of these calculations, the company has included the following: Attachment A, which is a summary of the penalty calculations; Attachment B, which provides the required calculation for each of the NSTAR Companies for each reporting period; and Attachment C, which provides the historic performance data which served as the basis for the calculation of service quality benchmarks and standard deviation calculations in conformance with the provisions of the Departments service quality guidelines.

<sup>7</sup> Parentheses indicate the calculation of a credit.

<sup>8</sup> NSTAR believes that it is appropriate to offset penalties on portions of its operations with credits earned for superior performance by its other operating companies. In this instance, however, because this issue was not addressed in either D.T.E. 99-19 or D.T.E. 99-84 NSTAR has not used such credits in the penalty calculation submitted herein. In addition, although NSTAR believes that credits earned for superior performance in one year should be used to offset penalties calculated in subsequent years, for the purpose of the penalty calculation in this filing, NSTAR has not offset the 2000-2001 penalty calculation with the credits earned in the 1999-2000 reporting period.

periods in question, NSTAR in response to its dissatisfaction with the level of service quality this past summer, in order to settle these matters and to provide a measure of compensation to its customers who were effected, NSTAR proposes to provide a one-time credit to Boston Edison customers in the amount of the difference between \$3,946,574 and the direct payments made to customers under the claims process established by the Company. In this manner, NSTAR would effect payments to its customers of an amount equal to the \$3,946,574 penalty that would result from the application of the Department's service quality guidelines to Boston Edison's recent service performance.

Thank you for your attention to this matter. Please contact me if you have any questions regarding this submission.

Sincerely,



Robert J. Keegan

Enclosures

cc: Chairman Connelly  
Commissioner Keating  
Commissioner Vasington  
Commissioner Sullivan  
Commissioner Manning  
Paul G. Afonso, General Counsel  
David O. Connor, Division of Energy Resources  
Joseph W. Rogers, Assistant Attorney General  
Charles Harak, Esq.  
William S. Stowe, Esq.



**NSTAR**  
**SERVICE QUALITY STANDARDS**  
**DTE 99-84**  
**PENALTY SUMMARY**

Appendix A

Results - 12 months ended August 31, 2000					
	<u>Beco</u>	<u>Comel</u>	<u>Celco</u>	<u>Com Gas</u>	<u>Totals</u>
<b><u>Measures</u></b>					
<b><u>Customer Service and Billing</u></b>					
% Calls Answered	\$ -	NA	NA	NA	
% Services Appointments Met	NA	NA	NA	NA	
% On-Cycle Meter Reads	\$ (585,981)	NA	NA	NA	
<b><u>Safety and Reliability</u></b>					
Lost Work Day Accidents	\$ (452,678)	\$ -	\$ -	\$ (316,026)	
SAIDI - 5 yrs	\$ -	\$ -	\$ (169,524)		
SAIFI - 5 yrs	\$ -	\$ -	\$ 77,842		
% Class I & II Odor Calls				\$ (1,066,587)	
<b><u>Consumer Division Statistics</u></b>					
Consumer Division Cases	\$ (540,316)	\$ (98,254)	\$ 10,219	\$ -	
Billing Adjustments	\$ (540,316)	\$ (64,705)	\$ -	\$ (45,229)	
99-84 Total Penalty	\$ -	\$ -	\$ -	\$ -	0
99-84 w/ Inter-Co. Offsets	\$ (2,119,290)	\$ (162,959)	\$ (81,464)	\$ (1,427,842)	(3,791,554)

Results - 12 months ended August 31, 2001					
	<u>Beco</u>	<u>Comel</u>	<u>Celco</u>	<u>Com Gas</u>	<u>Totals</u>
<b><u>Measures</u></b>					
<b><u>Customer Service and Billing</u></b>					
% Calls Answered	\$ -	\$ -	\$ -	\$ (400,661)	
% Services Appointments Met	NA	NA	NA	NA	
% On-Cycle Meter Reads	\$ 360,036	\$ -	\$ -	\$ -	
<b><u>Safety and Reliability</u></b>					
Lost Work Day Accidents	\$ -	\$ (85,228)	\$ (17,450)	\$ (320,529)	
SAIDI - 5 yrs	\$ 1,904,963	\$ -	\$ (148,180)		
SAIFI - 5 yrs	\$ 2,268,634	\$ -	\$ 42,205		
% Class I & II Odor Calls				\$ (1,442,380)	
<b><u>Consumer Division Statistics</u></b>					
Consumer Division Cases	\$ -	\$ -	\$ -	\$ -	
Billing Adjustments	\$ (587,059)	\$ (40,976)	\$ -	\$ (50,937)	
99-84 Total Penalty	\$ 3,946,574	\$ -	\$ -	\$ -	3,946,574
99-84 w/ Inter-Co. Offsets	\$ 3,946,574	\$ (126,203)	\$ (123,425)	\$ (2,214,507)	1,482,438

BOSTON EDISON COMPANY SERVICE QUALITY STANDARDS (1)										
Measures	Required Years History	No. of Years Used	Historical Average(3)	Std Dev	Penalty / Offset Weight	Max (4) Amount	Results - 12 Months Ended August 2000			Penalty / (Offset)
							Observ.	Variance	No. of Std Devs	Calculated Amount
<u>Customer Service and Billing</u>										
% Calls Answered (2)	10	4	69.00%	12.63%	12.5%	\$ 1,350,789	60.24%	-8.76%	-0.6936	\$ -
% Services Appointments Met	10	0	NA	NA	12.5%	\$ 1,350,789	NA	NA	NA	NA
% On-Cycle Meter Reads	10	3	89.20%	3.90%	10.0%	\$ 1,080,631	94.94%	5.74%	1.4728	\$ 585,981
<u>Safety and Reliability</u>										
Lost Work Day Accidents	10	8	0.97	0.26	10.0%	\$ 1,080,631	0.63	-0.34	-1.2945	\$ 452,678
SAIDI - 5 yrs	5	5	113.04	20.89	22.5%	\$ 2,431,420	102.88	-10.16	-0.4863	\$ -
SAIFI - 5 yrs	5	5	1.075	0.126	22.5%	\$ 2,431,420	1.151	0.076	0.6041	\$ -
<u>Consumer Division Statistics</u>										
Consumer Division Cases	10	8	920	140	5.0%	\$ 540,316	588	-332	-2.3665	\$ 540,316
Billing Adjustments	10	8	143,780	34,796	5.0%	\$ 540,316	68,908	-74,874	-2.1518	\$ 540,316
Total					100.0%	\$ 10,806,310				\$ (2,119,290)
<u>Notes</u>										
(1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.										
(2) Telephone statistic based on calls handled within 20 Seconds.										
(3) Historical average based on data through 1998.										
(4) Max penalty is incurred at 2 sd from average										
(5) Two percent of total T&D revenue for 12 months ended Aug 2000										

BOSTON EDISON COMPANY SERVICE QUALITY STANDARDS (1)										
Measures	Required Years History	No. of Years Used	Historical Average(3)	Std Dev	Penalty / Offset Weight	Max (4) Amount	Results - 12 Months Ended August 2001			Penalty / (Offset)
							Observ.	Variance	No. of Std Devs	Calculated Amount
<u>Customer Service and Billing</u>										
% Calls Answered (2)	10	5	69.60%	11.02%	12.5%	\$ 1,469,548	62.64%	-6.96%	-0.6314	\$ -
% Services Appointments Met	10	0	NA	NA	12.5%	\$ 1,469,548	NA	NA	NA	NA
% On-Cycle Meter Reads	10	4	90.58%	4.21%	10.0%	\$ 1,175,639	85.92%	-4.66%	-1.1068	\$ 360,036
<u>Safety and Reliability</u>										
Lost Work Day Accidents	10	9	0.94	0.26	10.0%	\$ 1,175,639	0.90	-0.04	-0.1713	\$ -
SAIDI - 5 yrs	5	5	113.04	20.89	22.5%	\$ 2,645,187	148.50	35.46	1.6972	\$ 1,904,963
SAIFI - 5 yrs	5	5	1.075	0.126	22.5%	\$ 2,645,187	1.308	0.233	1.8522	\$ 2,268,634
<u>Consumer Division Statistics</u>										
Consumer Division Cases	10	9	888	161	5.0%	\$ 587,819	998	110	0.6791	\$ -
Billing Adjustments	10	9	141,277	33,404	5.0%	\$ 587,819	74,513	-66,764	-1.9987	\$ (587,059)
Total					100.0%	\$ 11,756,385				\$ 3,946,574
<u>Notes</u>										
(1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.										
(2) Telephone statistic based on calls handled within 20 Seconds.										
(3) Historical average based on data through 1999 except SAIDI and SAIFI which are based on data through 1998.										
(4) Max penalty is incurred at 2 sd from average										
(5) Two percent of total T&D revenue for 12 months ended Aug 2001										

COMMONWEALTH ELECTRIC COMPANY													
SERVICE QUALITY STANDARDS													
Measures	Required Years History	Actual Years Available	Historical Average(1)	Std Dev	Penalty/Offset Weight	Max (4) Penalty	Observ.	Variance	No. of Std Devs	Calculated Amount	Penalty / (Offset)		
Customer Service and Billing													
% Calls Answered (2)	10	2	NA	NA	12.5%	\$ 393,555	71.70%	NA	NA	NA	NA	NA	NA
% Services Appointments Met	10	0	NA	NA	12.5%	\$ 393,555	NA	NA	NA	NA	NA	NA	NA
% On-Cycle Meter Reads	10	2	NA	NA	10.0%	\$ 314,844	99.31%	NA	NA	NA	NA	NA	NA
Safety and Reliability													
Lost Work Day Accidents	10	8	2.73	0.80	10.0%	\$ 314,844	2.31	-0.42	-0.5297	\$ -	\$ -		
SAIDI - 5 yrs	5	5	121.20	22.89	22.5%	\$ 708,399	124.75	3.55	0.1551	\$ -	\$ -		
SAIFI - 5 yrs	5	5	1.514	0.43	22.5%	\$ 708,399	1.454	-0.06	-0.1396	\$ -	\$ -		
Consumer Division Statistics													
Consumer Division Cases	10	8	357	87	5.0%	\$ 157,422	219	-138	-1.5801	\$ 98,254	\$ (98,254)		
Billing Adjustments	10	8	13,629	10,538	5.0%	\$ 157,422	117	-13,512	-1.2822	\$ 64,705	\$ (64,705)		
Total					100.0%	\$ 3,148,439					\$ (162,959)		
Notes													
(1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.													
(2) Telephone statistic based on calls handled within 30 Seconds.													
(3) Historical average based on data through 1998.													
(4) Max penalty is incurred at 2 sd from average													
(5) Two percent of total T&D revenue for 12 months ended Aug 2000													
\$3,148,439													

COMMONWEALTH ELECTRIC COMPANY													
SERVICE QUALITY STANDARDS													
Measures	Required Years History	Actual Years Available	Historical Average(1)	Std Dev	Penalty/Offset Weight	Max (4) Penalty	Observ.	Variance	No. of Std Devs	Calculated Amount	Penalty / (Offset)		
Customer Service and Billing													
% Calls Answered (2)	10	3	67.40%	2.35%	12.5%	\$ 402,061	65.40%	-2.00%	-0.8505	\$ -	\$ -		
% Services Appointments Met	10	0	NA	NA	12.5%	\$ 402,061	95.20%	NA	NA	NA	NA		
% On-Cycle Meter Reads	10	3	98.33%	1.24%	10.0%	\$ 321,649	98.97%	0.64%	0.5125	\$ -	\$ -		
Safety and Reliability													
Lost Work Day Accidents	10	9	2.75	0.75	10.0%	\$ 321,649	1.98	-0.77	-1.0295	\$ 85,228	\$ (85,228)		
SAIDI - 5 yrs	5	5	121.20	22.89	22.5%	\$ 723,710	118.81	-2.39	-0.1044	\$ -	\$ -		
SAIFI - 5 yrs	5	5	1.514	0.43	22.5%	\$ 723,710	1.110	-0.404	-0.9425	\$ -	\$ -		
Consumer Division Statistics													
Consumer Division Cases	10	9	349	85	5.0%	\$ 160,825	282	-67	-0.7939	\$ -	\$ (40,976)		
Billing Adjustments	10	9	12,491	10,432	5.0%	\$ 160,825	1,959	-10,532	-1.0095	\$ 40,976	\$ (40,976)		
Total					100.0%	\$ 3,216,491					\$ (126,203)		
Notes													
(1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.													
(2) Telephone statistic based on calls handled within 30 Seconds.													
(3) Historical average based on data through 1999 except SAIDI and SAIFI which are based on data through 1998													
(4) Max penalty is incurred at 2 sd from average													
(5) Two percent of total T&D revenue for 12 months ended Aug 2001													
\$3,216,491													

CAMBRIDGE ELECTRIC LIGHT COMPANY  
SERVICE QUALITY STANDARDS

Measures	Required History Years	Actual Years Available	Historical Average(1)	Std Dev	Penalty Weight	Max (4) Penalty	Results - 12 Months Ended August 2000				Penalty / (Offset)
							Obsrv.	Variance	No. of Std Devs	Calculated Amount	
Customer Service and Billing											
% Calls Answered (2)	10	2	NA	NA	12.5%	\$94,180	71.70%	NA	NA	NA	NA
% Services Appointments Met	10	0	NA	NA	12.5%	\$94,180	NA	NA	NA	NA	NA
% On-Cycle Meter Reads	10	2	NA	NA	10.0%	\$75,344	98.81%	NA	NA	NA	NA
Safety and Reliability											
Lost Work Day Accidents	10	8	2.73	0.80	10.0%	\$75,344	2.31	-0.42	-0.5297	\$ -	\$ -
SAIDI - 5 yrs	5	5	61.14	5.94	22.5%	\$169,524	41.02	-20.12	-3.3880	\$ 169,524	\$ (169,524)
SAIFI - 5 yrs	5	5	0.621	0.09	22.5%	\$169,524	0.743	0.122	1.3553	\$ 77,842	\$ 77,842
Consumer Division Statistics											
Consumer Division Cases	10	8	9	4	5.0%	\$37,672	13	4	1.0416	\$ 10,219	\$ 10,219
Billing Adjustments	10	8	287	376	5.0%	\$37,672	443	156	0.4146	\$ -	\$ -
Total					100.0%	\$ 753,442					\$ (81,464)

## Notes

- (1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.  
 (2) Telephone statistic based on calls handled within 30 Seconds.  
 (3) Historical average based on data through 1998.  
 (4) Max penalty is incurred at 2 sd from average  
 (5) Two percent of total T&D revenue for 12 months ended Aug 2000

\$753,442

CAMBRIDGE ELECTRIC LIGHT COMPANY  
SERVICE QUALITY STANDARDS

Measures	Required History Years	Actual Years Available	Historical Average(1)	Std Dev	Penalty Weight	Max (4) Penalty	Results - 12 Months Ended August 2001				Penalty / (Offset)
							Obsrv.	Variance	No. of Std Devs	Calculated Amount	
Customer Service and Billing											
% Calls Answered (2)	10	3	67.40%	2.35%	12.5%	\$82,322	65.40%	-2.00%	-0.8505	\$ -	\$ -
% Services Appointments Met	10	0	NA	NA	12.5%	\$82,322	72.21%	NA	NA	NA	NA
% On-Cycle Meter Reads	10	3	98.43%	0.67%	10.0%	\$65,858	98.61%	0.18%	0.2653	\$ -	\$ -
Safety and Reliability											
Lost Work Day Accidents	10	9	2.75	0.75	10.0%	\$65,858	1.98	-0.77	-1.0295	\$ 17,450	\$ (17,450)
SAIDI - 5 yrs	5	5	61.14	5.94	22.5%	\$148,180	36.31	-24.83	-4.1811	\$ 148,180	\$ (148,180)
SAIFI - 5 yrs	5	5	0.621	0.09	22.5%	\$148,180	0.717	0.096	1.0674	\$ 42,205	\$ 42,205
Consumer Division Statistics											
Consumer Division Cases	10	9	11	6	5.0%	\$32,929	6	-4.56	-0.8245	\$ -	\$ -
Billing Adjustments	10	9	270	355	5.0%	\$32,929	0	-269.89	-0.7593	\$ -	\$ -
Total					100.0%	\$ 658,577					\$ (123,425)

## Notes

- (1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.  
 (2) Telephone statistic based on calls handled within 30 Seconds.  
 (3) Historical average based on data through 1999 except SAIDI and SAIFI which are based on data through 1998  
 (4) Max penalty is incurred at 2 sd from average  
 (5) Two percent of total T&D revenue for 12 months ended Aug 2001

\$658,577

COMMONWEALTH GAS COMPANY  
SERVICE QUALITY STANDARDS

Measures	Required Years	Actual Years	History Available	Historical Average(1)	Std Dev	Penalty Weight	Max (4) Penalty	Results - 12 Months Ended August 2000				Penalty / (Offset)
								Obsrv.	Variance	Std Devs	Calculated Amount	
Customer Service and Billing												
% Calls Answered (2)	10	2	NA	NA	NA	12.5%	\$395,032	75.40%	NA	NA	NA	NA
% Service Appointments Met	10	0	NA	NA	NA	12.5%	\$395,032	NA	NA	NA	NA	NA
% On-Cycle Meter Reads	10	2	NA	NA	NA	10.0%	\$316,026	98.92%	NA	NA	NA	NA
Safety and Reliability												
Lost Work Day Accidents	10	8	10.81	1.63	10.0%	10.0%	\$316,026	2.80	-8.01	-4.9107	\$ 316,026	\$ (316,026)
% Class I & II Odor Calls(6)	NA	NA	95.00%	NA	45.0%	45.0%	\$1,422,117	98.90%	3.90%	3	\$ 1,066,587	\$ (1,066,587)
Consumer Division Statistics												
Consumer Division Cases	10	8	204	45	5.0%	5.0%	\$158,013	199	-5	-0.1085	\$ -	\$ -
Billing Adjustments	10	8	7,951	5,458	5.0%	5.0%	\$158,013	2,111	-5,840	-1.0700	\$ 45,229	\$ (45,229)
Total						100.0%	\$ 3,160,259					\$ (1,427,842)

## Notes

- (1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.  
 (2) Telephone statistic based on calls handled within 30 Seconds.  
 (3) Penalty begins at 1 sd from average and equals 25% of max penalty  
 (4) Max penalty is incurred at 2 sd from average  
 (5) Two percent of total T&D revenue for 12 months ended Aug 2000  
 (6) Penalties/Offsets equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.

\$3,160,259

COMMONWEALTH GAS COMPANY  
SERVICE QUALITY STANDARDS

Measures	Required Years	Actual Years	History Available	Historical Average(1)	Std Dev	Penalty Weight	Max (4) Penalty	Results - 12 Months Ended August 2001				Penalty / (Offset)
								Obsrv.	Variance	Std Devs	Calculated Amount	
Customer Service and Billing												
% Calls Answered (2)	10	3	41.80%	12.47%	12.5%	12.5%	\$400,661	73.40%	31.60%	2.5338	\$ 400,661	\$ (400,661)
% Service Appointments Met	10	3	NA	NA	12.5%	12.5%	\$400,661	NA	NA	NA	NA	NA
% On-Cycle Meter Reads	10	3	97.00%	2.10%	10.0%	10.0%	\$320,529	98.92%	1.92%	0.9143	\$ -	\$ -
Safety and Reliability												
Lost Work Day Accidents	10	9	10.29	2.19	10.0%	10.0%	\$320,529	2.50	-7.79	-3.5560	\$ 320,529	\$ (320,529)
% Class I & II Odor Calls(6)	NA	NA	95.00%	NA	45.0%	45.0%	\$1,442,380	99.20%	4.20%	4	\$ 1,442,380	\$ (1,442,380)
Consumer Division Statistics												
Consumer Division Cases	10	9	210	45	5.0%	5.0%	\$160,264	174	-35.56	-0.7841	\$ -	\$ -
Billing Adjustments	10	9	7,805	5,124	5.0%	5.0%	\$160,264	2,028	-5777.22	-1.1275	\$ 50,937	\$ (50,937)
Total						100.0%	\$ 3,205,288					\$ (2,214,507)

## Notes

- (1) Reflects DTE 99-84 measures, benchmark method and penalty/incentive mechanism.  
 (2) Telephone statistic based on calls handled within 30 Seconds.  
 (3) Penalty begins at 1 sd from average and equals 25% of max penalty  
 (4) Max penalty is incurred at 2 sd from average  
 (5) Two percent of total T&D revenue for 12 months ended Aug 2001  
 (6) Penalties/Offsets equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.

\$3,205,288

BOSTON EDISON COMPANY  
DTE 99-84 Benchmark History  
12 Months Ended August 2000- Performance Year

Measures	History (1)												DTE 99-84 History				
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Sample	Average	Std Dev
<b>Customer Service and Billing</b>																	
% Calls Answered (2)		62.20%	72.00%	75.20%	82.00%	52.80%	66.00%								4	69.00%	12.63%
% Services Appointments Met		94.80%	94.70%	92.50%	90.20%	84.90%									0	#DIV/0!	#DIV/0!
% On-Cycle Meter Reads															3	89.20%	3.90%
<b>Safety and Reliability</b>																	
Lost Work Day Accidents		0.96	0.73	0.50	0.77	0.98	1.37	1.10	0.87	1.16	1.02				8	0.971	0.26
SAIDI - 5 yrs		100.4	101.2	86.3	100.4	119.4	117.6	141.5	121.8	84.6	95.5	111.5	111.3		5	113.040	20.89
SAIFI - 5 yrs		1.170	1.060	0.895	1.070	1.070	1.090	1.250	1.060	0.800	0.990	1.110	1.120		5	1.075	0.126
<b>Consumer Division Statistics</b>																	
Consumer Division Cases		589	637	633	1,025	869	843	918	987	1,013	1,070				8	920	140
Billing Adjustments		73,187	121,256	153,670	147,571	96,692	195,136	173,837	159,834	99,592	123,908				8	143,780	34,796

## Notes

- (1) 12 Month period January to December.  
 (2) Telephone statistic based on Calls Handled within 20 Seconds.

BOSTON EDISON COMPANY  
DTE 99-84 Benchmark History  
12 Months Ended August 2001- Performance Year

Measures	History (1)										DTE 99-84 History						
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Sample	Average	Std Dev
<b>Customer Service and Billing</b>																	
% Calls Answered (2)		62.20%	72.00%	75.20%	82.00%	52.80%	66.00%								5	69.60%	11.02%
% Services Appointments Met		94.80%	94.70%	92.50%	90.20%	84.90%									0	#DIV/0!	#DIV/0!
% On-Cycle Meter Reads															4	90.58%	4.21%
<b>Safety and Reliability</b>																	
Lost Work Day Accidents		0.96	0.73	0.50	0.77	0.98	1.37	1.10	0.87	1.16	1.02				9	0.944	0.26
SAIDI - 5 yrs		100.4	101.2	86.3	100.4	119.4	117.6	141.5	121.8	84.6	95.5	111.5	111.3		5	113.040	20.89
SAIFI - 5 yrs		1.170	1.060	0.895	1.070	1.070	1.090	1.250	1.060	0.800	0.990	1.110	1.120		5	1.075	0.126
<b>Consumer Division Statistics</b>																	
Consumer Division Cases		589	637	633	1,025	869	843	918	987	1,013	1,070				9	888	161
Billing Adjustments		73,187	121,256	153,670	147,571	96,692	195,136	173,837	159,834	99,592	123,908				9	141,277	33,404

## Notes

- (1) 12 Month period January to December.  
 (2) Telephone statistic based on Calls Handled within 20 Seconds.

COMMONWEALTH ELECTRIC  
DTE 99-84 Benchmark History  
12 Months Ended August 2000 - Performance Year

Measures	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Sample	Average	Std Dev
<b>History (1)</b>																	
<u>Customer Service and Billing</u>																	
% Calls Answered (1)																	
% Services Appointments Met																	
% On-Cycle Meter Reads																	
	73.60%	65.10%	67.30%	69.80%	69.80%										2	68.55%	1.77%
	99.40%	99.10%	99.00%	96.90%	96.90%										0	#DIV/0!	#DIV/0!
															2	97.95%	1.48%
<u>Safety and Reliability</u>																	
Lost Work Day Accidents																	
SAIDI - 5 yrs	2.49	2.89	1.43	2.35	2.35	3.24	2.81	3.84	3.58	2.17	2.44				8	2.733	0.80
SAIFI - 5 yrs	129.3	125.9	98.9	120.9	120.9	146.4	98	141.8	97.7	120.3	73.9	83.4	113.2	154.2	5	121.200	22.89
	1.390	1.379	0.985	1.189	1.189	1.976	1.539	1.881	1.077	1.608	1.220	1.385			5	1.514	0.428
<u>Consumer Division Statistics</u>																	
Consumer Division Cases	244	288	300	274	274	284	328	339	391	400	541				8	357	87
Billing Adjustments	34	3,383	10,817	26,483	26,483	4,119	5,207	7,449	9,498	33,264	12,196				8	13,629	10,538

## Notes

- (1) 12 Month period January to December.  
 (2) Telephone statistic based on Calls Handled within 30 Seconds.

COMMONWEALTH ELECTRIC  
DTE 99-84 Benchmark History  
12 Months Ended August 2001 - Performance Year

Measures	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Sample	Average	Std Dev
<b>History (1)</b>																	
<u>Customer Service and Billing</u>																	
% Calls Answered (1)																	
% Services Appointments Met																	
% On-Cycle Meter Reads																	
	73.60%	65.10%	67.30%	69.80%	69.80%										3	67.40%	2.35%
	99.40%	99.10%	99.00%	96.90%	96.90%										0	#DIV/0!	#DIV/0!
															3	98.33%	1.24%
<u>Safety and Reliability</u>																	
Lost Work Day Accidents																	
SAIDI - 5 yrs	2.49	2.89	1.43	2.35	2.35	3.24	2.81	3.84	3.58	2.17	2.44				9	2.750	0.75
SAIFI - 5 yrs	129.3	125.9	98.9	120.9	120.9	146.4	98	141.8	97.7	120.3	73.9	83.4	113.2	154.2	5	121.200	22.89
	1.390	1.379	0.985	1.189	1.189	1.976	1.539	1.881	1.077	1.608	1.220	1.385			5	1.514	0.428
<u>Consumer Division Statistics</u>																	
Consumer Division Cases	244	288	300	274	274	284	328	339	391	400	541				9	349	85
Billing Adjustments	34	3,383	10,817	26,483	26,483	4,119	5,207	7,449	9,498	33,264	12,196				9	12,491	10,432

## Notes

- (1) 12 Month period January to December.  
 (2) Telephone statistic based on Calls Handled within 30 Seconds.





COMMONWEALTH GAS COMPANY

DTE 99-84 Benchmark History

12 Months Ended August 2000 - Performance Period

Measures	History (1)												DTE 99-84 history			
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	Sample	Average	Std Dev	

Customer Service and Billing

% Calls Answered (1)

% Service Appointments Met

% On-Cycle Meter Reads

Safety and Reliability

Lost Work Day Accidents

Class I & II Odor Calls

Consumer Division Statistics

Consumer Division Cases

Billing Adjustments

Notes

(1) 12 Month period January to December.

(2) Telephone statistic based on Calls Handled within 30 Seconds.

83.00%	55.40%	30.90%	39.10%												2	35.00%	5.80%
99.50%	98.50%	97.90%	94.60%												0	#DIV/0!	#DIV/0!
99.10%															2	96.25%	2.33%
3.32	6.10	9.43	10.00	9.38	9.97	11.37	14.41	11.01	10.94						8	10.814	1.63
98.90%	98.40%	98.50%													1	98.50%	#DIV/0!
166	255	272	184	121	232	234	188	211	189						8	204	45
983	6,641	4,958	5,235	2,517	8,720	8,363	10,362	19,712	3,739						8	7,951	5,458

COMMONWEALTH GAS COMPANY

DTE 99-84 Benchmark History

12 Months Ended August 2001 - Performance Period

Measures	History (1)												DTE 99-84 History			
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Sample	Average

Customer Service and Billing

% Calls Answered (1)

% Service Appointments Met

% On-Cycle Meter Reads

Safety and Reliability

Lost Work Day Accidents

Class I & II Odor Calls

Consumer Division Statistics

Consumer Division Cases

Billing Adjustments

Notes

(1) 12 Month period January to December.

(2) Telephone statistic based on Calls Handled within 30 Seconds.

83.00%	55.40%	30.90%	39.10%												3	41.80%	12.47%
99.50%	98.50%	97.90%	94.60%												3	0.00%	0.00%
99.10%															3	97.00%	2.10%
3.32	6.10	9.43	10.00	9.38	9.97	11.37	14.41	11.01	10.94						9	10.290	2.19
98.90%	98.40%	98.50%													2	98.45%	0.07%
166	255	272	184	121	232	234	188	211	189						9	210	45
983	6,641	4,958	5,235	2,517	8,720	8,363	10,362	19,712	3,739						9	7,805	5,124